

STATE OF ALASKA

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

TONY KNOWLES, GOVERNOR

P.O. BOX 110300
DIAMOND COURT HOUSE, 5TH FLOOR
JUNEAU, ALASKA 99811-0300
PHONE: (907) 465-3600
FAX: (907) 465-2539

June 12, 2001

The Honorable John J. Cowdery
Alaska State Senate
State Capitol Building, Rm. 101
Juneau, Alaska 99801

Re: Cribbage Tournaments
A.G. File No. 663-01-0187

Dear Senator Cowdery:

You have inquired as to whether a charitable gaming vendor may host cribbage tournaments without risking loss of the vendor's charitable gaming permit. The answer is yes, as long as the cribbage games do not meet the test for illegal gambling. Enclosed is a recent opinion by this department on gambling that may be helpful in answering your question. This letter attempts to summarize that opinion, but obviously cannot cover every point in the same level of detail. The provisions of the written opinion, therefore, govern questions involving gambling.

1. Introduction

Qualifying establishments licensed to dispense alcoholic beverages may sell pull-tabs on behalf of organizations that hold a charitable gaming permit.¹ The charitable gaming statutes refer to such bars and liquor stores as "vendors."² These establishments may not sell pull-tabs until they obtain a vendor registration.³ Vendors risk loss of their registration if they allow illegal gambling to take place on their premises.⁴

¹ AS 05.15.188; AS 05.15.690(44).

² *Id.*

³ AS 05.15.188(a). Vendors must also enter into an approved contract with the charitable gaming permit holder and insure that the Department of Revenue has issued the permit holder a vendor endorsement.

⁴ AS 05.15.170(a)(3); AS 05.15.105.

If a cribbage tournament takes place on a vendor's premise, the vendor's registration may be revoked if the tournament constitutes illegal gambling. Under Alaska law, with some narrow exceptions, an activity constitutes illegal gambling if three elements are present. Participants must stake or risk something of value to obtain something of value in a game or contest in which the outcome is dependent, to a material degree, on chance or a future contingent event not under the participants' control or influence.⁵

2. Card Games Like Cribbage Are Materially Dependent On Chance

Under Alaska law gambling occurs even if skill is the dominant factor of the game, as long as chance is a material element.⁶ Even though skill is involved, the outcome of a game of cribbage (or any other game that depends on the turn of a card, the throw of dice, the spin of a wheel, or any other random event) is dependent to a material degree on chance. The most skilled players will lose if dealt the wrong cards. Chance or luck, alone, can bring a player points. For example, in cribbage, after six cards are dealt to each player, the pone, or non-dealer, cuts the remaining deck and the start card or top card on the deck is turned over. If the top card is a Jack, the dealer pegs or receives two points.⁷

3. Staking Something of Value

If participants pay an entry fee, place a bet, put up a stake, or risk something of value in order to play cribbage or any other card game, it is illegal gambling, unless under AS 11.66.200 it is a social game in someone's home.⁸ The element of a "stake" would include an indirect payment such as a membership fee, cover charge, or other consideration exchanged for the privilege of playing the game.

4. Playing for a Prize

In order for a game to be illegal gambling, the participants also must play for something of value (a prize) that is based on the outcome of the game. "Something of value" includes services, entertainment, and the privilege of playing the game without

⁵ See 2001 Inf. Op. Att'y Gen. (May 22; 663-01-0183).

⁶ *Id.*

⁷ See American Congress of Cribbage, *Rules for Two-Person Cribbage*.

⁸ See 2001 Inf. Op. Att'y Gen. (May 22; 663-01-0183).

The Honorable John J. Cowdery
Alaska State Senate
A.G. File No. 663-01-0187

June 12, 2001
Page 3

paying the normal fee.⁹ It also includes money, credit, property, and any token or article exchangeable for money or property.¹⁰

We have expressed the opinion that a prudent enforcement policy would permit games of chance when the only prize to be awarded for playing the game is something that has no exchange value and modest intrinsic value and when it is something traditionally given to identify the player as a participant or winner, such as a certificate, tee-shirt, plaque, or trophy.¹¹ Under this policy, a vendor may host a cribbage tournament if the only prizes or awards are items of this type.

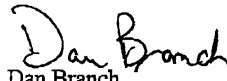
5. Conclusion

Vendors will risk their charitable gaming registration if they host cribbage tournaments where participants pay to play for a prize. A vendor may host a cribbage tournament if the only prizes are those of modest intrinsic value used to identify the participants or winners.

Sincerely,

BRUCE M. BOTELHO
ATTORNEY GENERAL

By:



Dan Branch
Assistant Attorney General

DB:rgw

Enclosure

⁹ *Id.*

¹⁰ AS 11.66.280(10).

¹¹ See 2001 Inf. Op. Att'y Gen. (May 22; 663-01-0183).